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**BAKER CITY COURT
OPERATIONS FUND
FINANCIAL REPORT
AS OF AND FOR THE SIX MONTHS ENDED
DECEMBER 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/12/03

The Honorable Mark Plaisance, Judge

**BAKER CITY COURT OPERATIONS FUND
FINANCIAL REPORT
AS OF AND FOR THE SIX MONTHS ENDED DECEMBER 31, 2002
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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GENERAL PURPOSE FINANCIAL STATEMENTS

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A PROFESSIONAL ACCOUNTING CORPORATION
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INDEPENDENT AUDITORS' REPORT

January 29, 2003

The Honorable Mark Plaisance, Judge
Baker City Court
1320 Alabama Street
Baker, Louisiana 70714

We have audited the accompanying general-purpose financial statements of the Baker City Court Operations Fund as of December 31, 2002, and for the six months then ended, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Baker City Court's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Baker City Court Operations Fund as of December 31, 2002, and the results of its operations for the six months then ended in conformity with generally accepted accounting principles.

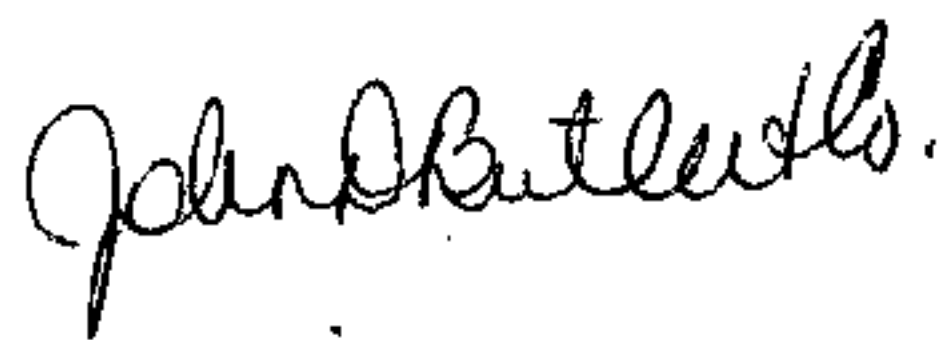
Independent Auditors' Report
January 29, 2003
Page Two

The required supplemental information, as listed in the table of contents, is not a required part of the general-purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Baker City Court's management. It has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general-purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2003, on our consideration of the Baker City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Baker City Court Operations Fund. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Butler".

John D. Butler & Company
A Professional Accounting Corporation

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**BAKER CITY COURT OPERATIONS FUND
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2002**

Managements' discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the Court based on currently known facts, decisions and/or conditions.

Financial Statement Presentation

The annual financial report consists of four parts - (1) managements' discussion and analysis, (2) general-purpose financial statements including note disclosures, (3) required supplemental information and (4) supplemental information. There are two types of statements presented in the financial statement section.

The government-wide financial statements present financial information for all activities of the Court from an economic resource measurement focus using the accrual basis of accounting. They are designed to present governmental activities separately from business-type activities.

Fund financial statements, however, present financial information for governmental activities using a current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes current assets and liabilities and present increases and decreases in net current assets.

Other differences between these two presentations are presented in Note 1. There is also a reconciliation between the government-wide financial statements and the fund financial statements for governmental activities presented in the fund financial statements.

Financial Analysis

The Court Operations Fund's combined net assets as of December 31, 2002, were:

Invested in capital assets, net of related debt	\$ 31,050.87
Unrestricted	<u>73,733.48</u>
Total Net Assets	<u>104,784.35</u>

The activity presented in the accompanying financial statements is for six months only. This will be considered when making comparisons between the current and prior year.

At the close of the most recent fiscal year, June 30, 2002, the Operations Fund had \$105,842.24 in cash and cash equivalents. There was a decrease of \$34,261 during the six months ended December 31, 2002, leaving a balance of \$71,581. Receivables increased by 2,068. These comprise all assets of the Operations Fund with the exception of capital assets discussed later in this analysis. Current liabilities decreased by \$32,751. This amount, due to the City of Baker, was paid in July of 2002. The Operations Fund has no long-term liabilities.

**BAKER CITY COURT OPERATIONS FUND
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2002**

The Operations Fund's revenue source is through the imposition of fines and court costs. In the fiscal year ended June 30, 2002, this fund earned \$17,242 in fees. Approximately 45% of this amount was earned for the six months ended December 31, 2002. Interest earned was \$1,272 at June 30, 2002, and \$231 at December 31, 2002. Total revenues were \$8,316 at December 31, 2002, and \$18,514 at June 30, 2002.

Operating expenditures at December 31, 2002, on the other hand, were 29% of expenditures for the year ended June 30, 2002. The Operations Fund expended \$13,474 during the year ended June 30, 2002, and \$3,906 during the six months ended December 31, 2002. Capital expenditures are discussed later in this analysis.

The six months ended December 31, 2002, resulted in an excess of \$558 over expenditures. The year ended June 30, 2002, saw a deficiency of \$11,666 that was a result of \$16,706 in capital outlay.

Budgetary Highlights

Revenues for the first six months fell short of anticipated revenues by \$14,632 or 64%. However, actual expenditures were \$15,065 less than budgeted or 66%. This resulted in a positive variance of revenues over expenditures of \$433.

Capital Asset and Debt Administration

The Court's Operations Fund has no long-term debt.

During the period covered under this report, capital expenditures included a document stamper, copier and other office furniture totaling \$3,852. A summary of capital assets at December 31, 2002, is as follows:

Furniture and fixtures	\$ 27,565.64
Equipment	132,517.55
Vehicle equipment	<u>13,032.00</u>
Sub-total	173,115.19
Accumulated depreciation	<u>(142,064.32)</u>
Net Capital Assets	<u>31,050.87</u>

**BAKER CITY COURT OPERATIONS FUND
MANAGEMENTS' DISCUSSION & ANALYSIS
DECEMBER 31, 2002**

Past Accomplishments and Future Plans

At the time of this audit, I will have been in office for a few months. Already we have experimented with procedural changes including how the docket is handled on court days. We are working to make other changes that will improve the overall efficiency of the Court. Many of these changes will require the enhancement of equipment. Other changes will only require administrative changes.

Future plans include the addition of several computers. Further, the Court will consider having a website to keep up with changing times and provide defendants with vital information.

Request for Additional Information

A copy of this report or additional information can be obtained by writing or contacting Delbra Pointer at the Baker City Court's office, 1320 Alabama Street, Baker, La. 70714, (225) 778-1866.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**BAKER CITY COURT OPERATIONS FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2002**

<u>ASSETS</u>		Governmental <u>Activities</u>
Cash and cash equivalents	\$	71,581.48
Due from other governmental agencies		2,252.00
Capital assets, net		<u>31,050.87</u>
Total Assets		104,884.35
 <u>LIABILITIES</u>		
Accounts payable		<u>100.00</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt		31,050.87
Unrestricted		<u>73,733.48</u>
Total Net Assets		<u><u>104,784.35</u></u>

The accompanying notes are an integral part of this statement.

**BAKER CITY COURT OPERATIONS FUND
STATEMENT OF ACTIVITIES
SIX MONTHS ENDED DECEMBER 31, 2002**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net Revenues (Expenses)</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Court system	\$ 7,735.77	\$ 8,085.00	\$ -	-	\$ 349.23	\$ -	\$ 349.23
Public safety	2,085.12	-	-	-	(2,085.12)	-	(2,085.12)
Total Primary Government	9,820.89	8,085.00	-	-	(1,735.89)	-	(1,735.89)
General Revenues							
Interest earnings					230.74	-	230.74
Total General Revenues					230.74	-	230.74
Change in Net Assets					(1,505.15)	-	(1,505.15)
Net Assets, beginning					106,289.50	-	106,289.50
Net Assets, ending					104,784.35	-	104,784.35

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**BAKER CITY COURT OPERATIONS FUND
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002**

ASSETS

Cash and cash equivalents	\$ 71,581.48
Due from other governmental agencies	<u>2,252.00</u>
TOTAL ASSETS	<u><u>73,833.48</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	<u>100.00</u>
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Total Liabilities	100.00
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Fund Balances:

Unreserved	<u>73,733.48</u>
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TOTAL LIABILITIES AND FUND BALANCES	<u><u>73,833.48</u></u>
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The accompanying notes are an integral part of this statement.

**BAKER CITY COURT OPERATIONS FUND
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2002**

Total Fund Balances - Total Governmental Funds	\$ 73,733.48
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Funds Balance Sheet. This is the capital
assets, net of accumulated depreciation, reported on the
Statement of Net Assets.

31,050.87

Net Assets - Governmental Activities

<u>104,784.35</u>

The accompanying notes are an integral part of this statement.

**BAKER CITY COURT OPERATIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SIX MONTHS ENDED DECEMBER 31, 2002**

REVENUES

Criminal fees collected	\$ 7,610.00
Drug-testing fees	475.00
Interest earned	<u>230.74</u>
Total Revenues	8,315.74

EXPENDITURES

Ad hoc judge	578.26
Books, fees and seminars	758.75
Computer expenses	1,190.00
Court costs	305.00
Drug testing expense	415.19
Office and supplies	617.51
Travel	41.61
Capital outlay	<u>3,851.82</u>
Total Expenditures	<u>7,758.14</u>

Excess of Revenues over Expenditures	557.60
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Fund Balances, beginning	<u>73,175.88</u>
Fund Balances, ending	<u><u>73,733.48</u></u>

The accompanying notes are an integral part of this statement.

**BAKER CITY COURT OPERATIONS FUND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
DECEMBER 31, 2002**

Change in Fund Balances - Total Governmental Funds	\$ 557.60
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which depreciation
charged exceeded capital outlay in the current period.

(2,062.75)

Change in Net Assets - Governmental Activities
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(1,505.15)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**BAKER CITY COURT OPERATIONS FUND
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

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**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

INTRODUCTION

The Baker City Court (hereafter referred to as the Court) was originally governed by a Home Rule Charter that the City of Baker adopted on May 16, 1970, to become effective on July 1, 1972. The Charter, as it relates to the court system, was challenged through a lawsuit and currently operates separately from the City of Baker as a result.

The accompanying financial statements present the activity of the operations fund, expenditures of which are made at the discretion of the Judge for the efficient operation of the Court. The City of Baker is required to provide the Judge the funds necessary to operate the Court, and therefore, all expenses related to personnel and the building are paid by the City of Baker. They are not included in the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Court conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of La. Revised Statute §24:517 and to the guidelines set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: This report includes all funds that are controlled by or dependent on the Court. Control by or dependence on the Court was determined on the basis of oversight responsibility, including accountability for fiscal and budgetary matters, designation of management or governing authority and authority to issue debt. Based on this, it has been determined that there are no governmental organizations which should be included in the accompanying financial statements. The Operations Fund, however, is included in the annual financial report of the City of Baker, La. as a special revenue fund.

Government-wide Accounting: In accordance with Government Accounting Standards Board Statement No. 34, the Court has presented a Statement of Net Assets and Statement of Activities for the Court Operations Fund as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. Government-wide statements distinguish between governmental and business-type activities.

Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost or estimated cost where historical cost is unavailable and are depreciated using the straight-line or modified accelerated recovery cost system methods of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets.

Using the requirements of GASB Statement No. 34, the Court is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Court has opted not to retroactively report these types of capital assets.

Program Revenues

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Court. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Court has chosen not to do so.

**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Reserved Net Assets

Reserved net assets are those for which a constraint has been imposed either externally or by law. The Court recognizes the use of reserved resources for expenditures that comply with the specific restrictions. Reserved resources are exhausted before unreserved net assets are used.

Fund Accounting: The Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Court fall within one category: governmental. In this category, the Court has only one fund type. The fund classifications and a description of existing fund type follows:

Governmental Funds: Governmental funds account for all or most of the Court's general activities, including the collection and disbursement of specific or legally reserved monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - is the general operating fund of the Court which accounts for all financial resources except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of its financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

All governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting in the fund financial statements. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts. Revenues become susceptible to accrual when they become both measurable and available.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Court's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation. All asset purchases excess of \$500 are capitalized. However, assets with a cost of less than \$500 may be capitalized at the discretion of the Clerk of Court if the nature of the item indicates that tracking of such is beneficial to the Court.

Depreciation is recorded using the modified accelerated recovery cost system over the estimated useful lives of the assets as follows:

Office furniture	5-10 years	Vehicles	3-20 years
Equipment	4-10 years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34, which requires the inclusion of infrastructure assets, used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Court has elected to not report its governmental infrastructure retroactively. Traditionally, the Court would not be involved in the construction, purchase or maintenance of infrastructure assets.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The Court had no long-term debt at December 31, 2002.

Net Assets/Fund Balances: In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand at December 31, 2002, are as follows:

	<u>Governmental Activities</u>
Petty cash	\$ 100.00
Demand deposits	41,483.29
Interest-bearing demand deposit	10,962.99
Time deposits	<u>19,035.20</u>
Total	<u>71,581.48</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

At December 31, 2002, the Court had \$74,238.48 (bank balances) in deposits at Bank One. These deposits are secured from risk by \$200,000 of federal deposit insurance.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Furniture and fixtures	\$ 27,118.77	\$ 446.87	\$.00	\$ 27,565.64
Equipment	129,112.60	3,404.95	.00	132,517.55
Vehicles	<u>13,032.00</u>	<u>.00</u>	<u>.00</u>	<u>13,032.00</u>
 Totals at Historical or Estimated Cost	 169,263.37	 3,851.82	 .00	 173,115.19
 Less Accumulated Depreciation for:				
Furniture and fixtures	26,473.84	150.20	.00	26,624.04
Equipment	107,069.51	3,679.25	.00	110,748.76
Vehicles	<u>2,606.40</u>	<u>2,085.12</u>	<u>.00</u>	<u>4,691.52</u>
 Total Accumulated Depreciation for:	 <u>136,149.75</u>	 <u>5,914.57*</u>	 <u>.00</u>	 <u>142,064.32</u>
 Governmental Activities Capital Assets, net	 <u>33,113.62</u>	 <u>(2,062.75)</u>	 <u>.00</u>	 <u>31,050.87</u>

*Depreciation expense was charged to governmental functions as follows:

Court system	\$ 3,829.45
Public safety	<u>2,085.12</u>
 Total	 <u>5,914.57</u>

NOTE 4 - ACCOUNTS AND OTHER PAYABLES

The payables of \$100.00 at December 31, 2002, includes trade payables.

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES AND PAYABLES

The Court is due \$2,252.00 from the City of Baker for court costs earned.

**BAKER CITY COURT OPERATIONS FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

NOTE 6 – ON-BEHALF PAYMENTS

For the six months ended December 31, 2002, expenses totaling \$106,362.24 were paid by the City of Baker on-behalf of the Court. This amount includes \$77,454.78 in salaries and \$6,242.16 in retirement benefits. These expenses are not included in the accompanying financial statements.

NOTE 7 - RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure in this financial report.

NOTE 8 - LITIGATION

There is no pending or threatened litigation that would impact the accompanying financial statements.

NOTE 9 - SUBSEQUENT EVENTS

There were no subsequent events that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**BAKER CITY COURT OPERATIONS FUND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
SIX MONTHS ENDED DECEMBER 31, 2002**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Court costs and fees	\$ 22,697.50	\$ 22,697.50	\$ 8,085.00	\$ (14,612.50)
Interest earned	250.00	250.00	230.74	(19.26)
Total Revenues	22,947.50	22,947.50	8,315.74	(14,631.76)
<u>EXPENDITURES</u>				
Ad hoc judge	750.00	750.00	578.26	171.74
Books, fees and seminars	3,200.00	3,200.00	758.75	2,441.25
Computer expense	5,998.00	5,998.00	1,190.00	4,808.00
Court costs	1,575.00	1,575.00	305.00	1,270.00
Drug testing expense	2,500.00	2,500.00	415.19	2,084.81
Insurance	1,650.00	1,650.00	-	1,650.00
Office and supplies	5,900.00	5,900.00	617.51	5,282.49
Travel	1,250.00	1,250.00	41.61	1,208.39
Capital outlay	-	-	3,851.82	(3,851.82)
Total Expenditures	22,823.00	22,823.00	7,758.14	15,064.86
Excess of Revenues over Expenditures	124.50	124.50	557.60	433.10
Fund Balances, beginning	73,175.88	73,175.88	73,175.88	-
Fund Balances, ending	73,300.38	73,300.38	73,733.48	433.10

SUPPLEMENTAL SCHEDULES AND INFORMATION

**BAKER CITY COURT OPERATIONS FUND
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
SIX MONTHS ENDED DECEMBER 31, 2002**

<u>Name</u>	<u>Salary</u>	<u>Retirement</u>	<u>Travel and Insurance</u>	<u>Total</u>
Judge Englesman	<u>\$ 15,792.00</u>	<u>\$ 1,942.00</u>	<u>\$.00</u>	<u>\$ 17,734.00</u>

The amounts above are not included in the accompanying financial statements as they were paid by the City of Baker.

See Auditors' Report

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

January 29, 2003

The Honorable Mark Plaisance, Judge
Baker City Court
1320 Alabama Street
Baker, Louisiana 70714

We have audited the financial statements of the Baker City Court Operations Fund, as of and for the six months ended December 31, 2002, and have issued our report thereon dated January 29, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Baker City Court Operations Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

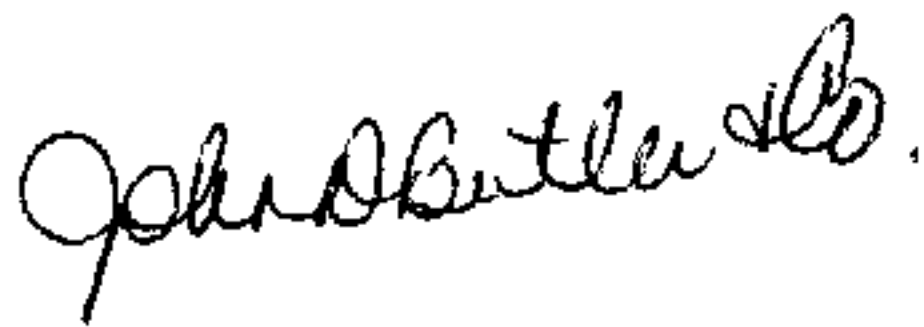
In planning and performing our audit, we considered the Baker City Court Operations Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the

The Honorable Mark Plaisance, Judge
January 29, 2003
Page Two

internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute §24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Butler".

John D. Butler & Company
A Professional Accounting Corporation